

Quebecor World

Gravure Publishing Council

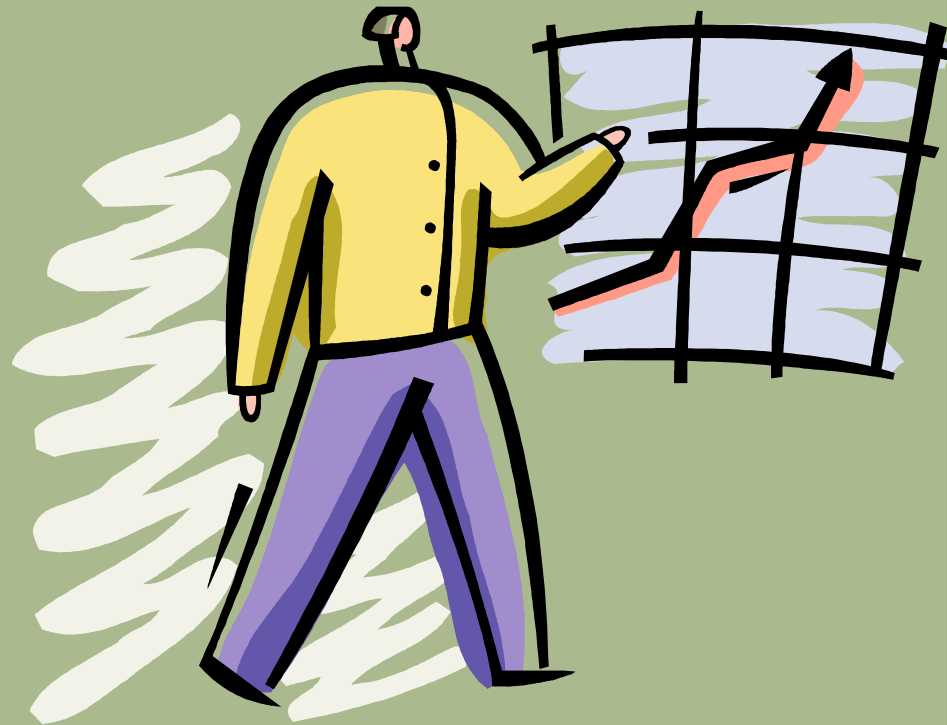


**Quebecor World**



## Making a Business Case for Sustainability

**The overall objective of an enterprise, be it “for profit”, non-profit or charitable, or privately-held or publicly-traded, is to perpetuate itself.**





## Making a Business Case for Sustainability

- Every decision in any type of enterprise must be made with the objective of perpetuating the organization. Sustainability, like all other decisions, must be founded on a business case.
- Under the umbrella of Sustainability, not all subjects are applicable in all cases, nor do all subjects justify being addressed.
- Altruism isn't the goal – it is the consequence.



## Making a Business Case for Sustainability

- Absent a responsible relationship with all stakeholders, an enterprise jeopardizes its existence.
  - Customers
  - Employees and the entities that represent them
  - Local communities and the governmental agencies that represent them
  - Vendors and suppliers
  - Shareholders and lenders

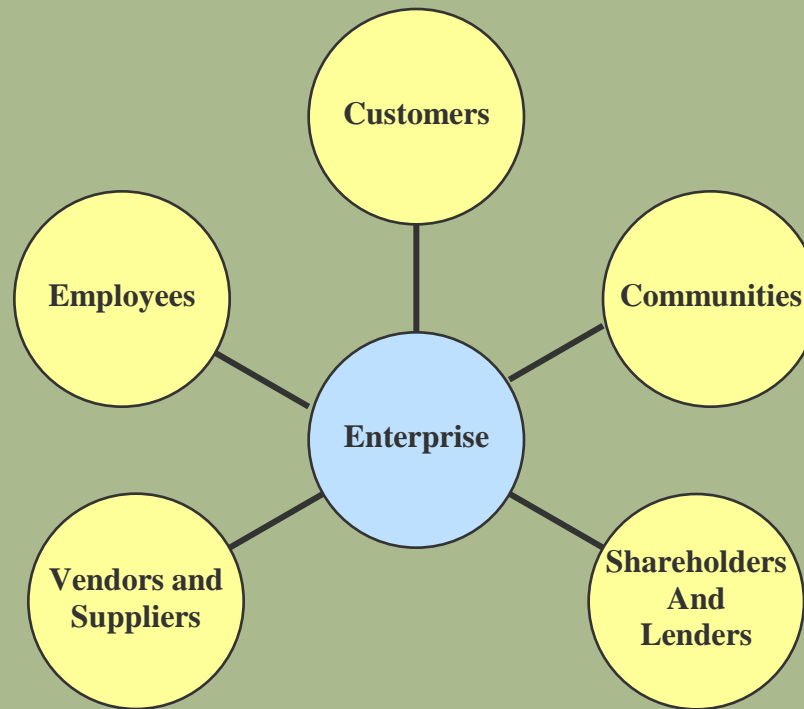


## Making a Business Case for Sustainability

- The relationship between an enterprise and its stakeholders is interdependent
  - An enterprise delivers a product to a **customer** and in return is paid.
  - In exchange for fair treatment, safe and healthy work place and competitive wages and benefits, an enterprise attracts skilled **employees**.
  - **Local communities and the governmental agencies** that represent them grant licenses and permits to enterprises that practice responsible environmental management, operate safe facilities and conform to applicable laws and regulations, and in return, enterprises pay taxes to support the communities, whether local, national or global.
  - **Vendors and suppliers** deliver raw materials to an enterprise and in return are paid.
  - **Shareholders and lenders** invest and expect a return on their investment.



## Making a Business Case for Sustainability



**It is this *interdependent* relationship between an enterprise and its stakeholders that is the foundation of a business case for sustainability**



## Making a Business Case for Sustainability

### ■ The Printing Industry

- We can be classified as part of the service sector or the manufacturing sector, or both – we service our customers by manufacturing a product on their behalf. We do not have title to the product.
- With few exceptions, we do not manufacture a product and bring it to the marketplace.
- We are totally dependent upon our customers for our survival. Without print orders by a customer, produced to their specifications, we do not exist.



## Making a Business Case for Sustainability

### ▪ The Print Buyer

- While all of you rely, in whole or part, on the print media, your products serve different purposes, and your customers are not necessarily the same, and consequently, justifying Sustainability and the priorities associated with Sustainability are approached differently. Market pressures vary also depending upon the sector.
  - Book publishers
  - Magazine publishers
  - Retailers
  - Catalogers
  - Directories
  - Direct mail





## Making a Business Case for Sustainability

- The Case for Sustainability in the Printing Industry
  - Level One Sustainability – Law and Regulation
    - Communities, employees and the governmental agencies that represent them establish minimum environmental, health and safety standards, and fair employment practices. Laws and regulations change and become more stringent as the need increases. A company that does not aim for material compliance risks fines and penalties, and adversarial relationships with government bodies that allow them to operate (risk of losing permits and licenses).
  - Level Two Sustainability – Beyond Compliance
    - Businesses that go beyond minimum regulatory requirements, among other things, save money, draw higher caliber personnel, attract investors (directly and through mutual fund and other financial instrument companies), and can more easily expand business operations vis a vis cooperative relationships with local community leaders and governmental agencies.



## Making a Business Case for Sustainability

- The Case for Sustainability in the Printing Industry
  - Level Three Sustainability – Forward Looking Initiatives
    - A Sustainability Policy means incorporating environmental, health and safety and other sustainable practices into business decisions and product design.
      - Communicating results to the stakeholders makes a company transparent, resulting in more consumer confidence and accordingly, goes to the “bottom line”.
      - In the printing industry, offering a customer a “Green Book” can translate to a competitive edge. Environmental programs, in particular, are seen as value-added services; decisions regarding which printer to print with are not necessarily based solely on environmental performance, but environmental performance can be the “tie breaker”.



## Making a Business Case for Sustainability

### ▪ The Printer and Sustainability

- You can reasonably expect (and demand) Level One Sustainability practices and management from a printer. Local communities and the governmental agencies that represent them require compliance and without minimum regulatory compliance, companies go out of business.
- Most printers practice Level Two Sustainability. In today's competitive business environment, the opportunity to raise prices is less available. Consequently, Level Two Sustainability is necessary to improve operating efficiencies and reduce costs in order to maintain profits.
  - Energy conservation programs (e.g. lighting systems, replacement of inefficient equipment, etc.) and incorporating energy efficiency into equipment and building design
  - Reduce, Reuse and Recycle (reducing waste generation)
  - Safety and health risk management (ergonomic designs)
  - Other risk management (fire and explosion prevention, chemical spill control and prevention, etc.)



## Making a Business Case for Sustainability

### ■ Level Three Sustainability

- By adopting Level Three Sustainability, the print media remains a viable mechanism of advertising for retailers and catalogers (and businesses utilizing advertising in magazines and other printed products), and communicates to the general public that reading or subscribing to a book, magazine or directory, or other printed piece (direct mail) is not counterproductive to sound environmental, health and safety and other socially responsible choices.
- Level Three Sustainability arms us with the needed programs to counter “Do Not Mail” and “Do Not Deliver” campaigns, ENGO pressures



## Making a Business Case for Sustainability

- The Printer and the Print Buyer
  - A printer's success directly correlates to a "print buyer's" success. A printer must arm a customer with a product that is accepted in the marketplace. That is, the "print buyer" relies on the supply chain for R&D, "green" manufacturing, and the information and data to support environmental claims.
  - Working towards a Sustainability mandates a partnership between:
    - The customer and,
    - The supply chain (printers, ink vendors, paper suppliers, etc.)



## Making a Business Case for Sustainability

### ■ Life Cycle Analysis - Overview

- Focusing today on environmental options in product design, a “print buyer” can begin by working with the printer and other members of the supply chain by:
  - Identifying the components of the product as it is known to the consumer
    - Paper
    - Ink
    - Binding mechanism (stitching, gluing)
    - Packaging (poly-bags, cartons)
    - Inserts (response cards, envelopes, order forms, etc.)
    - Other (mailing labels, messaging)



## Making a Business Case for Sustainability

- Life Cycle Analysis – Overview (Cont'd)
  - Calculate “carbon print” in the printed product and use as a baseline for measuring performance, where a carbon print of printed products is largely generated in the supply chain
  - Supply chain carbon print
    - Scope I emissions – direct emissions
    - Scope II emissions – indirect emissions
    - Scope III emissions – other emissions (raw material and product transportation, landfill deposits)
  - Print buyer’s carbon print
    - Employee transportation (air, auto, train)
    - Building design





## Making a Business Case for Sustainability

### Product Components

- Paper – certified fiber, recycled fiber
- Ink – renewable resource content
- Binding mechanism – stitching vs. perfect binding, recyclability of hot melt glues, water-based adhesives
- Packaging – reducing amount of packaging, eliminating PVC-based plastics
- Inserts – same as above (paper, inks), size, envelope design
- Other – water-based ink jetting, mailing list hygiene, etc.







## Making a Business Case for Sustainability

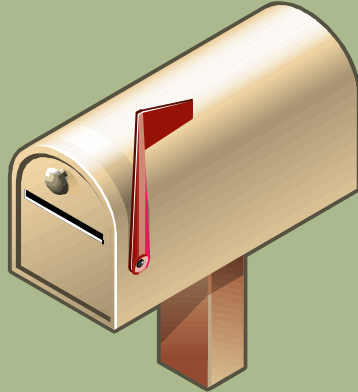
- Carbon Print
  - Go directly to supply chain for each respective calculation and basis of calculation, or consider consultant
  - Printers
    - 30% direct emissions (natural gas, propane, fuel oil)
    - 70% indirect emissions (purchased electricity)
  - Transportation
    - Distances between paper mills and other raw material suppliers and printers
    - Co-mailing





## Making a Business Case for Sustainability

- Transparency and Reporting
  - Communicate and report accomplishments and performance
    - By way of printed product
    - Website
    - Annual reports
    - Other mechanisms





## Making a Business Case for Sustainability

- Questions, Comments and Discussion

